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DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS is made this 18th day of October, 2018 (the "Declaration"), by BCS3 HOUSING, LLC, a Minnesota limited liability company (the "Secondary Developer"), for the benefit of the Port Authority of the City of Bloomington, a public body corporate and politic under the laws of the State of Minnesota (the "Authority").

RECITALS

WHEREAS, the Secondary Developer has proposed to construct an approximately 402-unit apartment complex (the "Project") on certain property located at 8051 33rd Avenue in the City of Bloomington, Minnesota (the "City") and legally described in EXHIBIT A attached hereto (the "Property"); and

WHEREAS, the Authority, the City, Bloomington Central Station, LLC, a Delaware limited liability company, as master developer, and the Secondary Developer entered into that certain Secondary Development Agreement of even date herewith (the "Development Agreement") pursuant to which the Authority agreed to provide tax increment assistance to the Secondary Developer in the form of a tax increment note in the maximum amount of \$10,664,100 (the "TIF Note") in order to make the Project more economically feasible and to improve and promote the development of affordable housing in the City; and

WHEREAS, in consideration for the TIF Note, the Secondary Developer will agree to cause compliance with certain affordability covenants for the Project; and

WHEREAS, the Secondary Developer intends, declares, and covenants that the restrictive covenants set forth herein will be and are covenants running with the Property for the term described herein and binding upon all subsequent owners of the Property for the term described herein, and are not merely personal covenants of the Secondary Developer; and

WHEREAS, capitalized terms in this Declaration have the meaning provided in the Development Agreement unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Secondary Developer agrees as follows:

1. Term of Restrictions.

(a) Occupancy Restrictions. The term of the Occupancy Restrictions set forth in Section 3 of this Declaration will commence when the Project is placed in service. The period from commencement to termination is the "Qualified Project Period."

(b) Termination of Declaration. This Declaration will terminate on December 31, 2039.

(c) Removal from Real Estate Records. Upon termination of this Declaration, the Authority will, upon request by the Secondary Developer or its successors or assigns, file any document appropriate to remove this Declaration from the real estate records of Hennepin County, Minnesota.

2. Project Restrictions.

(a) the Secondary Developer represents, warrants, and covenants that:

(i) All leases of units to Qualifying Tenants (as defined in Section 3(a)(i) hereof) will contain clauses, among others, wherein each individual lessee:

(1) Certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(a)(ii) hereof); and

(2) Agrees that the family income at the time the lease is executed will be deemed substantial and material obligation of the lessee's tenancy; that the lessee will comply promptly with all requests for income and other information relevant to determining low or moderate income status from the Secondary Developer or the Authority, and that the lessee's failure or refusal to comply with a request for information with respect thereto will be deemed a violation of a substantial obligation of the lessee's tenancy.

(ii) Upon reasonable prior notice, the Secondary Developer will permit any duly authorized representative of the Authority to inspect the books and records of the Secondary Developer pertaining to the income of Qualifying Tenants residing in the Project.

3. Occupancy Restrictions.

(a) Tenant Income Provisions. The Secondary Developer represents, warrants, and covenants that:

(i) Qualifying Tenants. From the commencement of the Qualified Project Period, at least 10% of the total rental units on the Property (the "Restricted Housing Units") will be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. Qualifying Tenants means those persons and households who are determined at the time of initial occupancy after the date hereof by the Secondary Developer to have combined income that does not exceed 80% of the Minneapolis-St. Paul-Bloomington metropolitan statistical area median income for the applicable calendar year adjusted for family size (found at www.huduser.gov, or if unavailable, another source of such information agreed to by the Authority and the Secondary Developer). The determination of whether an individual or household is of

low or moderate income will be made at the time a new tenant commences occupancy of a unit through a review of the self-reported income by the potential tenant on their rental application. In order to avoid displacement, existing tenants as of the date of any future acquisition will be grandfathered in and will not be required to be income certified, even if the composition of the household changes.

(ii) Certification of Tenant Eligibility. As a condition to initial occupancy, each person who is intended to be a Qualifying Tenant will be required at the commencement of the initial lease of the Housing Unit to sign and deliver to the Secondary Developer a Certification of Tenant Eligibility substantially in the form attached as EXHIBIT B hereto, or in any other form as may be approved by the Authority (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to qualifying as low or moderate income. In addition, the person will be required to provide whatever other information, documents, or certifications are deemed necessary by the Authority to substantiate the Eligibility Certification. Eligibility Certifications will be maintained on file by the Secondary Developer with respect to each Qualifying Tenant who resides in a Project unit or resided therein during the immediately preceding calendar year.

(iii) Lease. The form of lease to be utilized by the Secondary Developer in renting any units in the Project to any person who is intended to be a Qualifying Tenant will provide for termination of the lease and consent by the person to eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to the Eligibility Certification.

(iv) Rent Restrictions. Rents, including utilities, for all Restricted Housing Units shall not exceed 30 percent of 80 percent of the Minneapolis-St. Paul-Bloomington metropolitan statistical area median income for the applicable calendar year adjusted for household size (found at www.huduser.gov, or if unavailable, another source of such information agreed to by the Authority and the Secondary Developer).

(v) Annual Report. The Secondary Developer covenants and agrees that during the term of this Declaration, it will prepare and submit to the Authority on or before January 31 of each year, a certificate substantially in the form of EXHIBIT C hereto, executed by the Secondary Developer, (a) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants in the Project, including the percentage of the dwelling units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of the certificate; (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) stating, that to the best knowledge of the person executing the certificate after due inquiry, all the Restricted Housing Units were rented or available for rental on a continuous basis during the year to members of the general public and that the Secondary Developer was not otherwise in default under this Declaration during the year.

(vi) Notice of Non-Compliance. The Secondary Developer will immediately notify the Authority if at any time during the term of this Declaration the number of dwelling units in the Project that are occupied or available for occupancy by Qualifying Tenants as required by the terms of this Declaration is less than 10% of the total rental units on the Property.

(vi) Affordable Units. The Secondary Developer shall provide a mix of bedroom types for the Restricted Housing Units that is consistent with the overall mix of bedroom types within the Project.

(v) Location of Restricted Housing Units. The Restricted Housing Units shall be distributed throughout the building and shall not be concentrated in one area.

4. Transfer Restrictions. The Secondary Developer covenants and agrees that the Secondary Developer will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Project prior to the termination of the Rental Restrictions and Occupancy Restrictions provided herein (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form reasonably acceptable to the Authority, all duties and obligations of the Secondary Developer under this Declaration, including this Section 4, in the event of a subsequent Transfer by the transferee prior to expiration of the Rental Restrictions and Occupancy Restrictions provided herein (the "Assumption Agreement"). The Secondary Developer will deliver the Assumption Agreement to the Authority prior to the Transfer.

5. Enforcement.

(a) The Secondary Developer will permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Authority to inspect any books and records of the Secondary Developer regarding the Project with respect to the incomes of Qualifying Tenants.

(b) The Secondary Developer will submit any other information, documents or certifications requested by the Authority which the Authority deems reasonably necessary to substantiate the Secondary Developer's continuing compliance with the provisions specified in this Declaration.

(c) The Secondary Developer acknowledges that the primary purpose for requiring compliance by the Secondary Developer with the restrictions provided in this Declaration is to ensure compliance with the housing affordability covenants set forth in the Development Agreement, and by reason thereof, the Secondary Developer, in consideration for assistance provided by the Authority under the Development Agreement that makes possible the construction of the Project on the Property, hereby agrees and consents that the Authority will be entitled, for any breach of the provisions of this Declaration, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Secondary Developer of its obligations under this Declaration in a state court of competent jurisdiction. The Secondary

Developer hereby further specifically acknowledges that the Authority cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Secondary Developer understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the Authority may exercise any remedy available to it under the Development Agreement.

(e) A third party with experience in reviewing the reports described in Section 3(a)(ii) and (v) and mutually agreeable to the Secondary Developer and the Authority shall be hired to review such reports annually and report to the Authority regarding the Secondary Developer's compliance with this Declaration. The cost of the third party review shall be paid by the Authority.

6. Indemnification. The Secondary Developer hereby indemnifies, and agrees to defend and hold harmless, the Authority from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by the Secondary Developer to comply with the terms of this Declaration, or on account of any representation or warranty of the Secondary Developer contained herein being untrue.

7. Severability. The invalidity of any clause, part or provision of this Declaration will not affect the validity of the remaining portions thereof.

8. Notices. All notices to be given pursuant to this Declaration must be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to any other place as a party may from time to time designate in writing. The Secondary Developer and the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications are sent. The initial addresses for notices and other communications are as follows:

(a) in the case of the Secondary Developer, is addressed to or delivered personally to the Secondary Developer at 2737 Fairview Avenue North, St. Paul, Minnesota 55113, Attn: Mark Fabel; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at 1800 West Old Shakopee Road, Bloomington, Minnesota 55431-3027, Attn: Administrator.

9. Governing Law. This Declaration is governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

10. Attorneys' Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Secondary Developer to enforce the provisions of this

Declaration, the Secondary Developer agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the Authority in connection with the action.

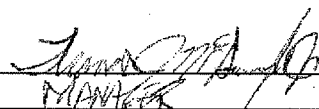
11. Declaration Binding. This Declaration and the covenants contained herein will run with the real property comprising the Project and will bind the Secondary Developer and its successors and assigns and all subsequent owners of the Project or any interest therein, and the benefits will inure to the Authority and its successors and assigns for the term of this Declaration as provided in Section 1(b) hereof.

12. Notice of Sale. In consideration for the TIF Note, the Secondary Developer agrees to provide the Authority with at least 90 days' notice of any sale or proposed sale of the Project.

13. Nondiscrimination Covenant. The Borrower will faithfully and efficiently administer, maintain and operate the Facilities free of discrimination based upon race, color, religion, creed, national origin, gender, housing assistance status, or sexual orientation.

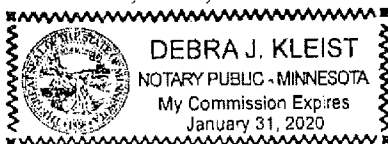
IN WITNESS WHEREOF, the Secondary Developer has caused this Declaration of Restrictive Covenants to be signed by its respective duly authorized representatives, as of the day and year first written above.

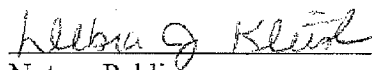
BCS3 HOUSING, LLC

By 
Its MANAGER

STATE OF MINNESOTA)
) SS
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 18th day of October, 2018, by Thomas J. McGrath Jr., the Manager of BCS3 HOUSING, LLC, a Minnesota limited liability company, on behalf of the Secondary Developer.



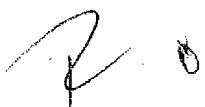

Notary Public

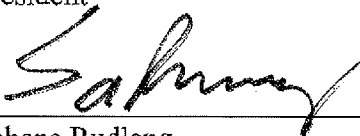
This instrument drafted by:

Kennedy & Graven, Chartered (JAE)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
612-337-9300

This Declaration is acknowledged and consented to by:

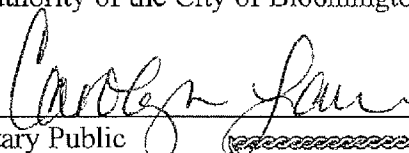
**PORT AUTHORITY OF THE CITY OF
BLOOMINGTON**

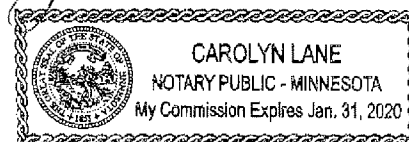
By 
Robert Erickson
Its President

By 
Schane Rudlang
Its Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

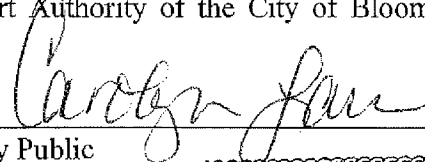
The foregoing instrument was acknowledged before me this 17th day of October, 2018,
by Robert Erickson, the President of the Port Authority of the City of Bloomington, on behalf of
the Authority.

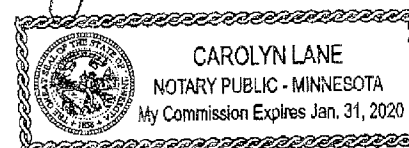

Notary Public



STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 17th day of October, 2018,
by Schane Rudlang, the Administrator of the Port Authority of the City of Bloomington, on
behalf of the Authority.


Notary Public



Reviewed and approved by Port General Counsel.

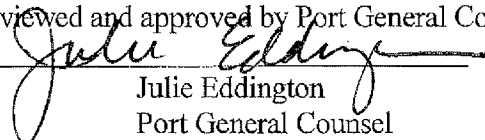

Julie Eddington
Port General Counsel

EXHIBIT A OF DECLARATION OF RESTRICTIVE COVENANTS

LEGAL DESCRIPTION

Lot 1, Block 1, Bloomington Central Station 6th Addition

EXHIBIT B OF DECLARATION OF RESTRICTIVE COVENANTS

CERTIFICATION OF TENANT ELIGIBILITY

(INCOME COMPUTATION AND CERTIFICATION)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES (From item (B) on page 1)	Household Meets Income Restriction at: <input type="radio"/> 40% <input type="radio"/> 50% <input type="radio"/> 40% <input type="radio"/> 30% <input type="radio"/> _____	Current Income Limit x 125% Household Income exceeds 125% at recertification <input type="radio"/> Yes <input type="radio"/> No
Current Month-to-month Income: Rent per Family Size Household Income at Month-to-month _____	Household Size at Month-to-month _____	

PART VI. RENT

Tenant Paid Rent Utility Allowance	Rent Assistance Other non-subsidized charges	RA Type
GRANT RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-subsidized charges)	Unit Meets Rent Restriction at: <input type="radio"/> 0% <input type="radio"/> 50% <input type="radio"/> 40% <input type="radio"/> 30% <input type="radio"/> _____	
After paying Rent, does the tenant _____		

PART VII. STUDENT STATUS

ARE ALL CHILDREN FULL-TIME STUDENTS? If not, indicate a student's explanation for not being a student: <input type="radio"/> Yes <input type="radio"/> No	Student Explanations: <input type="radio"/> Total Assistance <input type="radio"/> Previously in Foster Care <input type="radio"/> Single parent/dependent child <input type="radio"/> Job Training Program <input type="radio"/> Military/return
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PART VIII. PROGRAM TYPE

Mark the program(s) listed below on through (e) for which the household's unit will be rented around the property's occupancy requirements. Under each program marked, indicate the household's income status as established by the certification/recertification.

<input type="checkbox"/> HOME Income Status: <input type="radio"/> <=50% AMFI <input type="radio"/> <=40% AMFI <input type="radio"/> <=30% AMFI <input type="radio"/> GP**	<input type="checkbox"/> No Exempt Income Status: <input type="radio"/> 0% <input type="radio"/> 50% AMFI <input type="radio"/> GP**	<input type="checkbox"/> AMFI Income Status: <input type="radio"/> VLI <input type="radio"/> LI <input type="radio"/> GP**	<input type="checkbox"/> Other (specify below): Name of Program: Income Status: <input type="radio"/> _____ <input type="radio"/> _____ <input type="radio"/> GP**
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** If open market housing, household will be determined with income (AMI) according to eligibility requirements of the programs marked above.

SIGNATURE OF OWNER REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) signing on Part II of this Tenant Housing Certification agree(s) under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restricted Agreement (if applicable), to live in a unit on this Project.

SIGNATURE OF OWNER REPRESENTATIVE _____ DATE: _____

EXHIBIT C OF DECLARATION OF RESTRICTIVE COVENANTS

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Certificate of
Continuing Program Compliance

Date: _____

The following information with respect to the Project located at 8051 33rd Avenue South, Bloomington, Minnesota (the "Project"), is being provided by [SECONDARY DEVELOPER] (the "Owner") to the Port Authority of the City of Bloomington (the "Authority"), pursuant to that certain Declaration of Restrictive Covenants, dated _____, 2018 (the "Declaration"), with respect to the Project:

(A) The total number of residential units which are available for occupancy is 402. The total number of these units occupied is _____.

(B) The following residential units (identified by unit number) are currently occupied by "Qualifying Tenants," as the term is defined in the Declaration (for a total of _____ units):

1 BR Units:

2 BR Units:

3 BR Units:

(C) The following residential units which are included in (B) above, have been re-designated as units for Qualifying Tenants since _____, 20____, the date on which the last "Certificate of Continuing Program Compliance" was filed with the Authority by the Owner:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(D) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	Unit Number	Name of Tenant	Number of Persons Residing in the Unit	Number of Bedrooms	Total Adjusted Gross Income	Date of Initial Occupancy	Rent
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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35							
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37							

38							
39							
40							

(E) The Owner has obtained a "Certification of Tenant Eligibility," in the form provided as EXHIBIT B to the Declaration, from each Tenant named in (D) above, and each such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent "Certification of Tenant Eligibility" for each Tenant named in (D) above who signed such a Certification since _____, _____, the date on which the last "Certificate of Continuing Program Compliance" was filed with the Authority by the Owner.

(F) In renting the residential units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the residential units in the Project have been rented pursuant to a written lease.

(G) The information provided in this "Certificate of Continuing Program Compliance" is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any "Certification of Tenant Eligibility" obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Declaration.

(I) The Owner certifies that as of the date hereof at least ten percent (10%) of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(J) The rental levels for each Qualifying Tenant comply with the maximum permitted under the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner,
on _____, 20 ____.

[SECONDARY DEVELOPER]

By _____

Its _____